

DRAFT

**THIRD TAXING DISTRICT**  
of the City of Norwalk  
December 1, 2014

**ATTENDANCE:** Commissioners: Charles Yost, Chair; David Brown; Debora Goldstein, Dr. Michael Intricri, Treasurer

**STAFF:** James Smith, General Manager; Ron Scofield, Assistant General Manager

**OTHERS:** Pete Murphy and Liz Lyons (James P. Murphy & Associates)

**CALL TO ORDER**

Commissioner Yost called the meeting to order at 7:00 p.m. A quorum was present.

**PUBLIC COMMENT**

There was no one from the public present to comment at this time.

**MINUTES OF MEETING**

**November 6, 2014 Regular Meeting**

The following change was noted:

Page 3: Add the following paragraph after the first paragraph under Health Insurance Renewal:

“Commissioner Goldstein questioned why the existing plan needed to be transitioned. Mike Imbrogno stated the existing plan was not compliant with the ACA.”

**\*\* COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF NOVEMBER 6, 2014 REGULAR MEETING AS CORRECTED.**

**\*\* COMMISSIONER YOST SECONDED.**

**\*\* THE MOTION TO APPROVE THE MINUTES OF NOVEMBER 6, 2014 PASSED UNANIMOUSLY.**

**November 11, 2014 Special Meeting**

**\*\* COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF NOVEMBER 11, 2014 SPECIAL COMMISSION MEETING.**

**\*\* COMMISSIONER YOST SECONDED.**

**\*\* THE MOTION TO APPROVE THE MINUTES OF NOVEMBER 11, 2014 SPECIAL MEETING PASSED UNANIMOUSLY.**

**November 20, 2014 Special Meeting**

The following change was noted:

Page 12, Line 5: Remove the word "issues".

**\*\* COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF NOVEMBER 20, 2014 SPECIAL MEETING AS CORRECTED.**

**\*\* COMMISSIONER YOST SECONDED.**

**\*\* THE MOTION TO APPROVE THE MINUTES OF NOVEMBER 20, 2014 PASSED UNANIMOUSLY.**

**LIBRARY SURVEY**

**\*\* COMMISSIONER GOLDSTEIN MADE A MOTION TO ADD AN AGENDA ITEM AS #3 ENTITLED LIBRARY SURVEY.**

**\*\* COMMISSIONER BROWN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The Commissioners placed a phone call to Kevin Coughlin and Patrick Romano of DNA Campaigns in order to discuss their credentials for the library survey. Commissioner Yost explained who TTD was and how the library fits under our realm. He then asked DNA Campaigns for their background. DNA Campaigns has been in business for approximately 2-1/2 years as a full-service consulting firm with considerable experience in the political arena.

Commissioner Brown asked if DNA Campaigns is more of a political firm, would they be able to assist TTD with their needs. DNA Campaigns replied that they would need to flesh out specifics, but believes they would be able to assist TTD with their needs.

Dr. Intrieri asked if DNA Campaigns had any experience with library surveys and what types of surveys do they conduct, i.e., paper, phone, etc. Their response indicated that a survey is a survey. They indicated that surveys can be done via phone, direct mail with a phone follow-up or even door-to-door to get the best contact, but this could be more expensive.

DRAFT

Commission Goldstein asked how long would it take to conduct the survey. They replied, if a call center was used, it could take a couple of days to a week depending on the number of questions being asked.

Dr. Intrieri asked who would provide the questions for the survey and how would TTD receive the feedback. The questions would be developed as a combination of both DNA Campaigns and TTD. Once complete, the analysis can be presented in written form or in person.

Commissioner Yost asked DNA Campaigns to please send along some materials, examples and pricing for further review.

### INSURANCE RENEWAL

Pete Murphy and Liz Lyons from James P. Murphy & Associates presented the Property & Casualty Insurance Renewal Proposal to the Commission. Overall, the renewal coverage went down approximately \$7,200 over last year. The decrease in the coverage was mainly due to the Workers Compensation Policy's Mod Rate which decreased from 1.29 to .90 and the property revaluations with the City of Norwalk.

There was an increase in the Total Umbrella Premium and Commissioner Yost asked if there was any way to reduce the increase. The only way to reduce this would be to reduce coverage and it was recommended not to do this.

Liz Lyons indicated to the Commission that it's possible that the Workers Compensation could go down even lower due to the potentially new AIG lower rates, but she would not have that answer until at least mid-December.

**\*\* COMMISSIONER YOST MOVED TO ACCEPT THE RECOMMENDED 2015 INSURANCE RENEWAL AS PRESENTED BY OUR CONSULTANT, JAMES P. MURPHY & ASSOCIATES, INC., AND THE MANAGEMENT OF THE DEPARTMENT, WITH THE UNDERSTANDING THAT THE TOTAL WORKERS COMPENSATION POLICY PREMIUM MAY BE ADJUSTED DOWNWARD DUE TO THE POTENTIALLY NEW AIG LOWER RATES.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

## **GENERAL MANAGER'S REPORT**

### **Car Donation to J.M. Wright Technical School**

Mr. Smith told the Commission that we are still working on getting the Aveo donated to the school and have been in touch with Tom Horvath, the Auto Mechanics Shop Teacher. We are planning to set up a photo session for Sunday, December 14<sup>th</sup> at 4:00 p.m. at the TTD offices.

### **Status of Audit**

Mr. Smith stated that the audit is almost finished, but is in need of two more items: 1) the East Norwalk Library Audit and 2) a copy of the actuarial report from Hooker & Holcomb. He expects the report to be completed by mid-December and will review it at the January 2015 Commission meeting.

### **Holiday Party**

Mr. Smith told the Commission that Wednesday, December 17<sup>th</sup> at 6:00 p.m. seems to be the date that works for all and will be in touch with John Bove to confirm the South Norwalk Boat Club for the event. He will let everyone know once it has been confirmed

## **CHRISTMAS TREE LIGHTING**

Mr. Scofield reviewed the draft program for the upcoming Christmas Tree Lighting to be held on Sunday, December 14<sup>th</sup>. The Commissioners and Treasurer went through each part of the program and changed their roles in the program. Once the changes have been incorporated into the program, a final program will be sent to the Commission later in the week.

## **2015 YEARLY PLANNING CALENDAR**

Mr. Smith went through the upcoming 2015 Yearly Planning Calendar with the Commission and indicated the changes that were made over last year's calendar. In addition to those changes, the Commission asked to add a few more items, i.e., Library Project, Customer Service Survey, Person-to-Person Program and Chowdafest. A revised calendar will be sent to the Commission once all changes are made.

## **DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE INDICATORS**

Mr. Smith reviewed the October financials with the Commission and informed them that October sales were down due to the weather and explained that September and October are considered "shoulder" months. Expenses appear to be in good shape versus last year. Discussion ensued and all questions were answered satisfactorily.

DRAFT

Commissioner Goldstein expressed concern about the continuing downward trend with sales. Mr. Smith responded that we are trying to hold rates steady for as long as possible.

Maplewood – Mr. Smith informed the Commission that Mr. Scofield is working on a potential solution to the problem. Mr. Scofield has opened up a dialogue with Nick Gullusci, Assistant Project Manager, and is hopeful that they can resolve the issue sometime during the first week of December.

### **LIBRARY PROJECT**

Commissioner Yost asked Commissioner Goldstein if there was any update to the RFP. She is currently working on it. The question was raised as to who it should be sent to in order to get it back in a timely fashion. They are hoping to have it out by the end of December.

Commissioner Yost asked to schedule a Special Commission meeting for next week to finalize the RFP and made a bidder selection. The meeting has been scheduled for Thursday, December 11<sup>th</sup> at 7:00 p.m.

### **ADJOURNMENT**

**\*\* COMMISSIONER YOST MOVED TO ADJOURN.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:37 p.m.

Respectfully submitted,

Cynthia Tenney  
Executive Assistant  
Third Taxing District

MOTION FOR MINUTES

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING AS CORRECTED.

DRAFT

**THIRD TAXING DISTRICT**  
of the City of Norwalk  
Special Meeting  
December 16, 2014

**ATTENDANCE:** Charles Yost, Chairman; David Brown, Commissioner; Debora Goldstein, Commissioner; Dr. Michael Intrieri, Treasurer

**STAFF:** James Smith, General Manager

**PUBLIC:** Stan Siegel, ENIA; Steve Mann

**CALL TO ORDER**

Commissioner Yost called the meeting to order at 7:00 p.m. A quorum was present.

**PUBLIC COMMENT**

There was no one from the public present to comment at this time.

**LIBRARY DEVELOPMENT LLC CONFERENCE CALL**

The Commissioners placed a call to Alan Berger of Library Development Solutions. Chairman Yost introduced all who were present in the meeting. Alan Berger introduced himself and told the Commission about Library Development Solutions. They are located in Princeton, New Jersey and conduct strategic planning, board development and fundraising. They work primarily in the tri-state area.

Commissioner Yost asked what libraries in Connecticut they have worked with in the past. Mr. Berger listed the libraries in Fairfield County - Greenwich, Darien, Westport, Weston, Ridgefield, Brookfield, Bridgeport and Norwalk.

Dr. Intrieri asked if they had worked with Stamford at all. Mr. Berger indicated that they had worked with Stamford just a little bit quite a few years ago. They also worked with Norwalk on their last strategic plan.

Mr. Berger asked if the Commission was trying to figure out how to move ahead with the library. Commissioner Yost gave Mr. Berger a little history about Third Taxing District. He informed him that TTD owns the library building in East Norwalk and the Improvement Association runs the library. He continued to say that TTD funds the library. Commissioner Yost said that they would like to find out what the potential is for the library in order to make some changes at a reasonable cost. They want to get a

Third Taxing District  
Special Meeting  
December 16, 2014

~~Page 1~~

Pg. 7

DRAFT

feeling for what the public knows about it, how the public uses it, how often they use it and what they'd like to see offered there.

Commissioner Yost told Mr. Berger that they would like to do a market survey and that they are working on an RFP for the Library Master Plan to send out.

Mr. Berger asked if a survey had ever been done before. Mr. Siegel responded yes.

Discussion continued about the challenges that the library faces for the future. Mr. Siegel explained about the library and its current programs. The question was raised as to how many people use the library on a daily basis. Mr. Siegel indicated that they base this number on how many materials are borrowed on a daily basis, as well as daily log-ins and logs-outs on the computers.

Dr. Intrieri asked if fundraising plays a vital role in maximizing the services of the library. Mr. Berger said it really depends on the gap. The gap is defined as being what our funding is annually on a relative basis and what we need to operate. They would work with the library to determine the gap.

Mr. Berger went on to explain how the process would work, including a telephone or on-line survey, speaking with library staff, possible focus groups, etc. He suggested that we start building a database of users in order to survey them. Once complete, they would report back all the findings and recommendations for the future.

Commissioner Yost asked what kind of timetable is required. Mr. Berger responded every place is different. He wanted to know if there were any milestones or restrictions on a shorter or longer process? Commission Goldstein indicated that the only possible timing issue would be if we wanted to have something for the annual meeting in March. He responded that they would be able to give some verbal feedback by at least March. Mr. Berger thinks the entire project shouldn't take any longer than six months as it's a small community.

Commissioner Yost asked if Alan had a staff or crew that conducts the research. Mr. Berger indicated that he and his wife lead the project. He also has two staff members for technology issues and two staff members that work on facility issues, but determination of staff is based on what is involved in the project.

Mr. Berger asked whether there was a budget for the project. Commissioner Yost indicated it was approximately \$15,000-20,000.

DRAFT

### LIBRARY RFP FORM DEVELOPMENT

Commissioner Goldstein presented a draft RFP document for the Commission to discuss. She tried to include everything on the "shopping list" in an organized fashion. The Commission began to review the RFP and made revisions as needed.

### RFP BIDDER SELECTION PROCESS

The Commission reviewed the list of possible bidders. There will be up to a total of seven RFPs to be sent out. The Commission made the decision to have the RFP's in the mail by Monday, December 29, 2014 with a return by date of Friday, January 16, 2015.

### ADJOURNMENT

- \*\* COMMISSIONER BROWN MOVED TO ADJOURN.**
- \*\* COMMISSIONER GOLDSTEIN SECONDED.**
- \*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:10 p.m.

Respectfully submitted,

Cynthia Tenney  
Executive Assistant  
Third Taxing District

Third Taxing District  
Special Meeting  
December 16, 2014

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) SPECIAL COMMISSION MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) SPECIAL COMMISSION MEETING AS CORRECTED.

**THIRD TAXING DISTRICT**  
of the City of Norwalk  
Emergency Meeting  
December 17, 2014

**ATTENDANCE:** Commissioners: Charles Yost (Chair), David Brown; Debora Goldstein<sup>1</sup>,  
Treasurer: Dr. Michael Intrieri<sup>2</sup>

**STAFF:** General Manager: Jim Smith, Assistant General Manager: Ron Scofield

**OTHERS:** John Bove, Atty.

**CALL TO ORDER.**

Commissioner Yost called the meeting to order at 5:00 p.m. A quorum was present.

**PUBLIC COMMENT.**

There was no one present from the public.

**EXECUTIVE SESSION.**

- Maplewood Claim

**\*\* COMMISSIONER YOST MOVED TO ENTER INTO EXECUTIVE SESSION TO DISCUSS MAPLEWOOD.**

**\*\* COMMISSIONER BROWN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Dr. Intrieri, Mr. Smith, Mr. Scofield and Mr. Bove entered into Executive Session at 5:01 p.m.

**\*\* COMMISSIONER YOST MOVED TO EXIT EXECUTIVE SESSION AND RETURN TO PUBLIC SESSION.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

---

<sup>1</sup> Commissioner Goldstein participated by telephone, and confirmed that she could hear and be heard.

<sup>2</sup> Dr. Michael Intrieri participated by telephone, and confirmed that he could hear and be heard.

DRAFT

The Commissioners, Dr. Intrieri, Mr. Smith, Mr. Scofield and Mr. Bove exited the Executive Session at 5:13 p.m.

**\*\* COMMISSIONER YOST MOVED TO ENTER INTO A CONTRACT WITH BROWN JACOBSEN TO DEFEND A REGULATORY CLAIM MADE BY MAPLEWOOD.**

**\*\* COMMISSIONER BROWN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**ADJOURNMENT.**

**\*\* COMMISSIONER YOST MOVED TO ADJOURN.**

**\*\* COMMISSIONER BROWN SECONDED**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 5:15 p.m.

Respectfully submitted,

Ronald Scofield  
District Clerk

Third Taxing District  
of the City of Norwalk  
Emergency Meeting  
December 17, 2014

~~Page 2~~

Pg. 12

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) SPECIAL COMMISSION MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) SPECIAL COMMISSION MEETING AS CORRECTED.

# Memorandum

## Third Taxing District

### Electric Department

**To:** TTD Commissioners

**From:** Jim Smith – General Manager

**Date:** December 19, 2014

**Subject:** CMEEC Energy Update Briefing



---

Attached please find a copy of a presentation prepared by Brian Forshaw, CMEEC's Chief Regulatory and Risk Officer, outlining the need for regulatory reform in the New England wholesale electric markets and the impact it is having on the New England utilities, specifically in Connecticut.

CMEEC has recently been making this presentation to individual municipal utility Commissions and public officials across the state and at the federal level, including locally elected officials in Norwalk.

My understanding is that it will be one of the issues discussed by the Connecticut delegation at the APPA Legislative Rally in March.

Although I have touched on this issue with the Commission in prior meetings, I felt it would be worthwhile for Brian to update the Commission with information consistent with that being provided the other Commissions, elected officials, etc.

# Energy Update Briefing

presented by

Connecticut Municipal Electric Utilities  
and  
Connecticut Municipal Electric Energy  
Cooperative (CMEEC)

December 15, 2014  
Norwalk, Connecticut

pg. 15

# Overview

- Welcome and Background on Municipal Electric Utilities (MEUs)
- Background on CMEEC and New England Electric Markets
- Wholesale Electric Market Challenges/Price Projections
- MEU Approaches to Meeting Challenges
- Other Issues for Local MEUs

Pg. 16

# Who Are the MEUs?

- Groton Utilities/Bozrah Light & Power
- Norwich Public Utilities
- Jewett City Department of Public Utilities
- South Norwalk Electric and Water
- City of Norwalk Third Taxing District (TTD)

Pg. 17

# What Are the MEU Objectives?

- Reliable Electric Service
- Reasonable Cost for Consumers
- Adequate Compensation for System Investments
- Long-Term Policy and Risk Focus
  - Regional Competitiveness
  - Minimize Price Volatility
  - Fuel Diversity
  - Environmental Stewardship

Pg. 18

# What is CMEEC?

- Connecticut Municipal Electric Energy Cooperative (CMEEC)
  - Agency formed by Connecticut MEUs under State Statutes
  - Responsible for procuring generating resources and managing power supply contracts to meet MEU objectives
  - Represent MEUs in regional and national stakeholder forums on electric energy

pg. 19



5

# New England Electric Markets

- New England utilities required to participate in wholesale markets controlled by the Independent System Operator – New England (ISO-NE)
- ISO-NE has sole authority to implement rules for pricing and participating in wholesale electric markets
  - ISO-NE authority conveyed by Federal Energy Regulatory Commission (FERC)
  - State utility commissions not able to influence wholesale market prices

adp.20

# ISO-NE Market Design

- Major ISO-NE Markets
  - Energy: Intended to cover variable cost of generating resources.
  - Ancillary Services: Intended to cover cost of resources needed to respond to outages and contingencies.
  - Capacity: Intended to cover fixed costs not recovered in other two markets.

pg. 21

# ISO-NE Market Design

- Seek to influence supplier and customer behavior by sending short term price signals.
  - Consumers pay the price associated with the most expensive resource providing service in each “market”.
- Result is that consumers in New England pay the highest possible cost for the electric service being provided.

Pg. 22

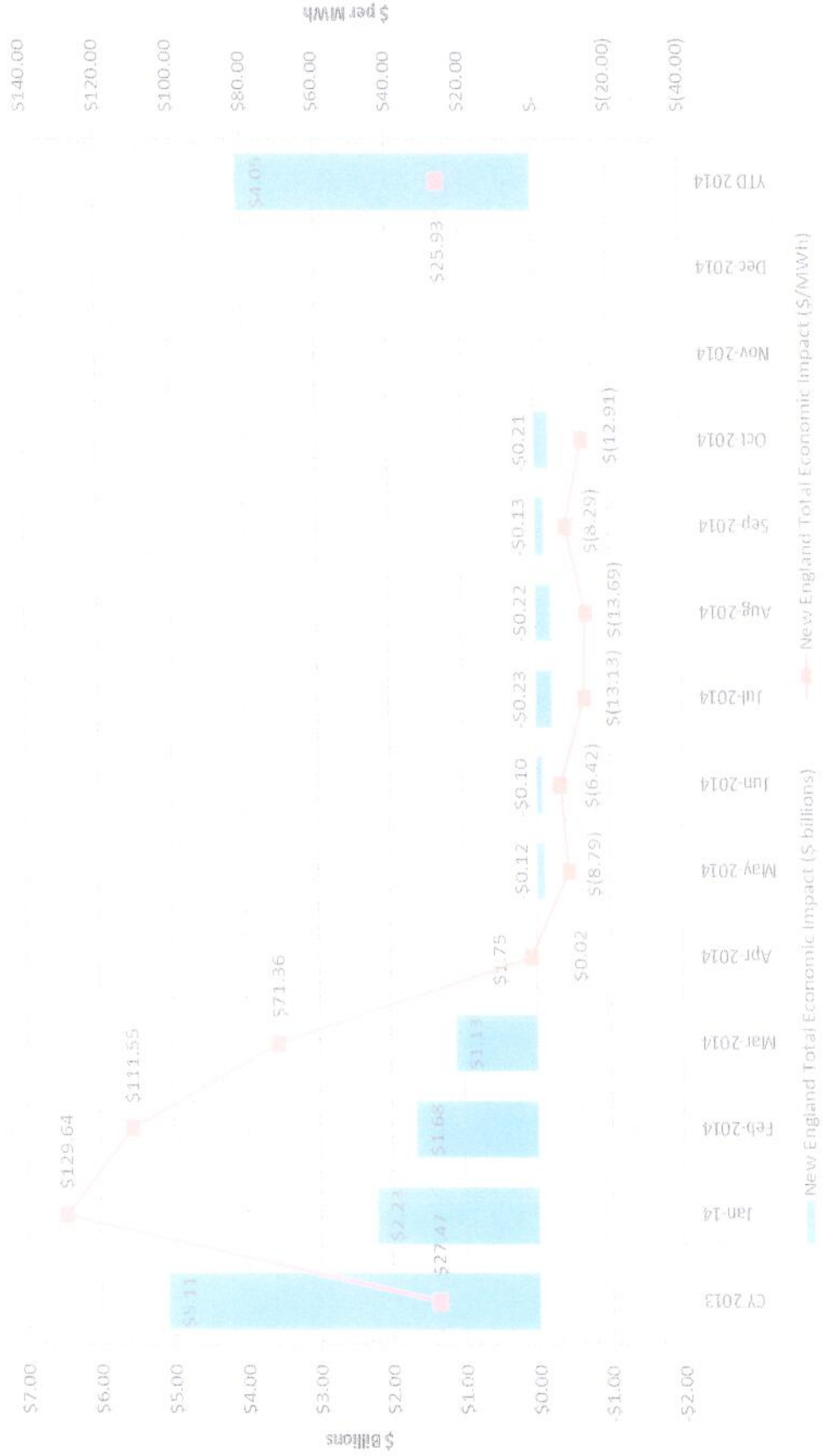
# Electric Market Concerns

- The current wholesale market design is not meeting consumer needs.
- The current electric infrastructure has produced:
  - Increasing prices
  - Significant volatility
  - Undue reliance on natural gas
  - Insufficient resources to meet reliability standards.
- CMEEC expects things will only get worse over the next 5 years.

Pg. 23

# Impact of Gas Pipeline Limitations

Economic Impact of Natural Gas Basis Differential on New England Electric Cost  
Algonquin vs. Henry Hub Natural Gas Price



Pg. 24

# Impact of Gas Pipeline Limitations

Economic Impact of Natural Gas Basis Differential on Connecticut Electric Cost  
Algonquin vs. Henry Hub Natural Gas Price

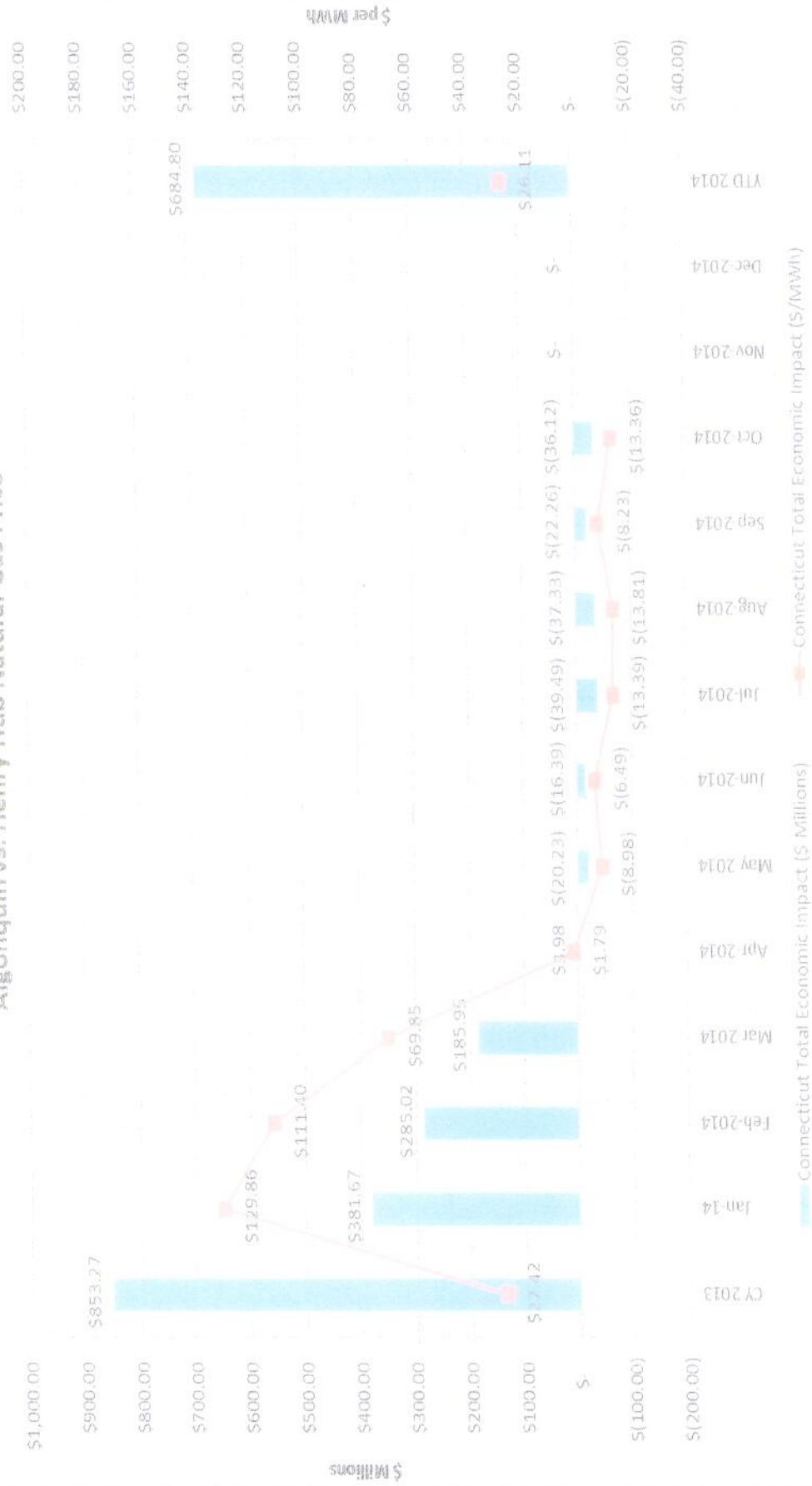


Fig. 25

# Electric Prices are too High

## Comparison of Connecticut & South Atlantic All Sector Electric Prices

Data from EIA Monthly Electric Reports

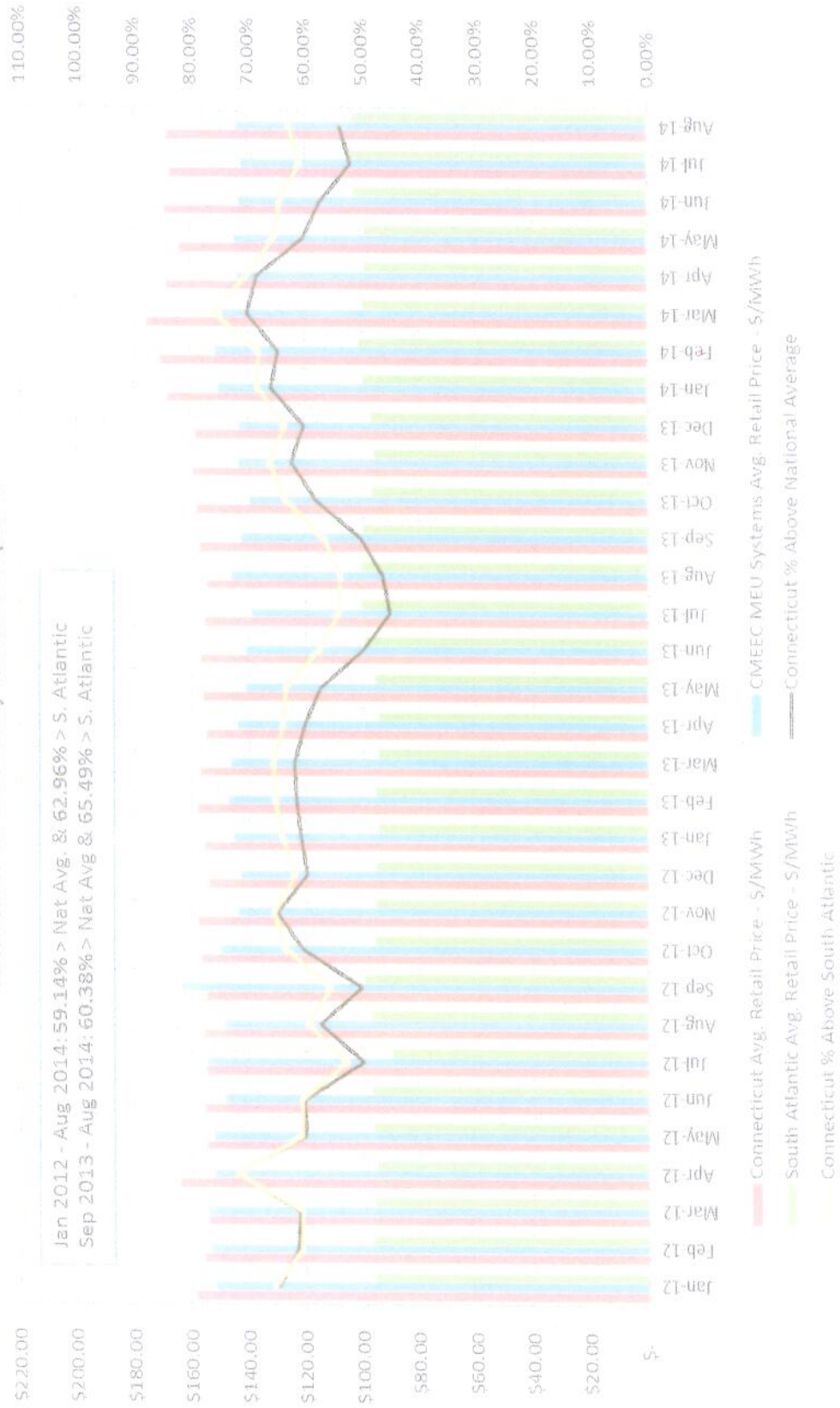


Fig. 26

# The Situation is Getting Worse

**Actual and Projected Wholesale Market Costs 2012 - 2019**  
\$ per MWh of Rate 9 Load Requirements  
(Actual costs through September 2014)



Pg. 27

# CMEEC & MEU Strategies

- Managed portfolio of resources with a 5 year + time horizon
- Empower Customers to Control Costs
  - Microgen project to limit peak load exposure
  - Community Solar project
  - Energy efficiency and peak demand management
  - Wholesale market pricing for large customers
  - Expand managed portfolio options to non-MEU customers

Pg. 28

# Wholesale Market Reform

- Alert State officials and Congress about New England electric market problems
- Advocate with ISO-NE & FERC for consumer focused electric market reforms
- Advance long-term planning based process for procuring electric infrastructure through bilateral contracts.

pg. 29

James W. Smith

---

**From:** Forshaw, Brian <bforshaw@cmeec.org>  
**Sent:** Thursday, December 11, 2014 2:25 PM  
**To:** James W. Smith; Hiscock, John; Whittier, Scott  
**Cc:** Rankin, Drew; James Sullivan; Kachmar, Ellen  
**Subject:** Materials for Dec 15 Meeting with Norwalk-Area Legislators  
**Attachments:** CMEEC-MEU Energy Update Briefing - Dec 15 2014.ppt; CMEEC-MEU Description.docx

We are scheduled to meet with Norwalk area legislators at the TTD Offices on Monday December 15<sup>th</sup> from 10 AM – noon. Attached for your information are copies of the presentation materials for this session. I plan on bringing hard copies of each of these for handing out to the meeting participants.

Please feel free to follow up with me if you have any questions or concerns about this session or these materials. Thanks.

Brian Forshaw  
Chief Regulatory and Risk Officer  
Connecticut Municipal Electric  
Energy Cooperative  
30 Stott Avenue  
Norwich, CT 06360  
Tel. (860) 889-4088  
e-mail: [bforshaw@cmeec.org](mailto:bforshaw@cmeec.org)

## What is CMEEC?

The Connecticut Municipal Electric Energy Cooperative ("CMEEC") is a publicly directed joint action supply agency formed by the State of Connecticut's municipal electric utilities in 1976 under authority of the state's General Statutes. CMEEC is owned by the municipal utilities in the cities of Groton and Norwich, the Borough of Jewett City, and the Second (South Norwalk) and Third (East Norwalk) Taxing Districts of the City of Norwalk, Connecticut. CMEEC also provides all the power required by other utilities participating in CMEEC including the Bozrah Light and Power Company, and the Mohegan Tribal Utility Authority.

CMEEC is responsible for the financing, acquisition, and construction of generating resources and implementation of power supply contracts for low-cost and reliable electric power to its Members and Participants.

Electric energy purchase contracts and other resources obtained by CMEEC supply power to each of the community-owned utilities. The utilities in turn distribute the power at retail to local homes and businesses at the lowest prices in Connecticut. Connecticut's municipal utilities supply electric power to over 72,500 customers including some of the largest and most prominent industries in Connecticut.

Sources of electric power range from fossil-fueled generators to nuclear plants to hydroelectric stations in Connecticut to massive power dams in Canada and New York. Power is acquired from different generating sources, including short- and long-term contracts for different types of power purchases and municipally-owned generating stations, and from joint ownership arrangements.

CMEEC represents the members and participants as a single-entity participant in the regional Independent System Operation (ISO-New England) and the New England Power Pool (NEPOOL). Power is transmitted to municipal utilities under negotiated rights to interconnecting transmission systems.

The organizational structure of CMEEC is a partnership of municipal utilities, which through their ownership of and active participation in CMEEC provide the overall direction to CMEEC. CMEEC is governed by a Board of Directors made up of two representatives from each of the five Connecticut municipal utility owners. The Board sets policy for CMEEC and performs other duties and responsibilities as determined by applicable State Statutes or the bylaws of CMEEC.

## Who Are the CMEEC Owners?

The City of Groton Department of Public Utilities serves a population estimated to be approximately 37,000, which encompasses the City and parts of the Town of Groton. Groton is located in southeastern Connecticut on Long Island Sound, approximately 50 miles east of the City of New Haven.

Norwich Public Utilities services a population estimated to be approximately 41,000. Norwich is located in southeastern Connecticut, on the Thames River, approximately 40 miles southeast of Hartford and 13 miles north of the City of Groton.

The Jewett City Department of Public Utilities serves a Borough population estimated to be approximately 4,700. Jewett City is located approximately 8 miles northeast of Norwich.

The City of Norwalk population is estimated to be 86,000, of which South Norwalk Electric and Water serves approximately 12,500. The South Norwalk service territory is approximately 2.0 square miles in size within the City of Norwalk, in a largely urban area.

The Third Taxing District (TTD) of the City of Norwalk, also known as East Norwalk, serves a population of approximately 8,500 within the City of Norwalk. The East Norwalk service territory is approximately 4 square miles within the City of Norwalk.

*For more information, please contact Drew Rankin at CMEEC ([drankin@cmeec.org](mailto:drankin@cmeec.org)) or Brian Forshaw at CMEEC ([bforshaw@cmeec.org](mailto:bforshaw@cmeec.org)).*

# Memorandum

## Third Taxing District

### Electric Department

**To:** TTD Commissioners

**From:** Jim Smith – General Manager

**Date:** December 19, 2014

**Subject:** 2014/15 Budgets for Library, Firehouse & Cemetery

---

We have been in touch with the library, firehouse and cemetery to see if there have been any changes in the budgets they submitted to the Commission at the October 6, 2014 meeting.

Both the firehouse and cemetery have no changes to their submission, but the library has had a slight modification. The original budget totaled \$193,676 and the revised budget is \$194,796 for a difference of \$1,120. The increases are reflected in two categories – Accounting/Legal and Library Material/Programs.

We have asked Stan Siegel to be present at the January meeting to review these changes with the Commission.

Original

**EAST NORWALK ASSOCIATION**

The Cornerstone of the Community — Since 1900

51 Van Zant Street - East Norwalk, CT 06855

Phone: 203-838-0408 / Fax: 203-855-8382

Email: mail@eastnorwalklibrary.org

www.eastnorwalklibrary.org

**EAST NORWALK ASSOCIATION LIBRARY****PROPOSED BUDGET SUMMARY, FISCAL YEAR JULY 1, 2015—JUNE 30, 2016**

A	OPERATING INCOME	APPROVED F/Y 2014/2015	PROPOSED F/Y 2015/2016
1	Third Taxing District	\$167,121	\$167,121
2	Van Zilen Hall Rental	23,000	23,000
3	Contribution / Dues	1,550	1,550
4	Sales / Fines / Fees	2,000	2,000
5	Interest	5	5
6	<b>INCOME TOTAL</b>	<b>\$193,676</b>	<b>\$193,676</b>
B	OPERATING EXPENSES	APPROVED F/Y 2014/2015	PROPOSED F/Y 2015/2016
7	Salaries / Wages	\$92,747	\$94,726
8	Employee Benefits/Taxes	26,610	27,404
9	Accounting / Legal	10,275	10,775
10	Library material / programs	30,750	26,751
11	Utilities	13,700	13,700
12	Supplies / Custodial	12,094	12,320
13	Maintenance / Security	7,500	8,000
14	<b>EXPENSES TOTAL</b>	<b>\$193,676</b>	<b>\$193,676</b>

**NOTES TO ESTIMATED INCOME and EXPENSES:**

Despite only two months of the use of Fiscal Year 2014/2015 budget we are committed to keeping our expenses for Fiscal Year 2015/2016 at the same level thereby eliminating the need to increase our request for Third Taxing District funds.

We have adjusted some Operating Expense categories, compared to 2014-2015, to more realistically reflect where each expense may be applied. This does not affect an increase in total operating expenses for 2015-2016 which, too, remains as before.

This proposed Budget, we feel, enables the East Norwalk Association/East Norwalk Association Library to continue not only to provide existing services and programs for its community, but will help enable responsible response to new and growing needs for the people we serve. We will manage this by judicious use of the funds available and call upon the strengths of our in-house capabilities and support of in-kind services to assure our commitment as the "Cornerstone of our Community."

Respectfully submitted: Stanley M. Siegel, Executive Director.

October 6, 2014

Pg. 33

# Revised

	Budget Amount	Salaries & Wages	Benefits & Taxes	Acct & Bookkeep	Materials Programs	Utilities	Supplies Custodial	Maintenance Security
Salaries - Director	26,780	26,780						
Salaries - Librarian	37,418	37,418						
Salaries - Asst. Librarian	30,528	30,528						
Payroll Taxes - Employer	7,054		7,054					
Insurance - Directors	1,650		1,650					
Insurance - Health	16,000		16,000					
Workman's Comp	600		600					
Insurance-Life	2,100		2,100					
Audit Expense	5,250			5,250				
Bank Charges	25			25				
Bookkeeping Expense	4,500			4,500				
Legal Expense	1,620			1,620				
Children's Programs	4,000				4,000			
Community Awareness	1,000				1,000			
Fees & Dues	500				500			
Books	9,501				9,501			
Magazines & Newspapers	3,000				3,000			
Videos/DVD	2,500				2,500			
Electric	6,000					6,000		
Fuel	4,000					4,000		
Water	200					200		
Communications	3,500					3,500		
Stationary & Supplies	6,520						6,520	
Postage	250				250			
Printing & Binding	500						500	
Computer Hardware	500				500			
Computer Software	500				500			
Maintenance-Library	1,500							1,500
Janitorial Supplies	800						800	
Office Equipment	2,000				2,000			
Janitorial/Exterminator- Hall	1,900							1,900
Hall Security	1,500							1,500
Building Security ( Brinks)	600							600
Janitorial - Library	4,500						4,500	
Contractor-John	3,500				3,500			
IT Maintenance	1,500							1,500
Repair- Building	1,000							1,000
	194,796	94,726	27,404	11,395	27,251	13,700	12,320	8,000



Cynthia  
Third Taxing District  
East Norwalk, CT

Dear Cynthia,

This is an estimate for the proposed work at the East Norwalk Fire Station.

- 1) Remove the asbestos tile in the stair tower hallway.
- 2) Install new tile in the stair tower hallway.
- 3) Paint the stair tower hallway including rails.
- 4) Install heater on apparatus floor.
- 5) Remove dead equipment from apparatus floor and ceiling. Fix, patch and paint the apparatus floor ceiling.
- 6) Install new ½ bath on the apparatus floor.

The total cost estimate of this work will be \$ 42,530.00

When this work is complete, along with the work that will be completed on the second floor, your building will have been restored into one of the finest Fire Stations in the area.

James Hines  
JMK Construction Group LLC  
Westport Modular Homes  
203-858-7198



## Third Taxing District

2 Second Street  
East Norwalk, CT06855

Tel: (203) 866-9271

Fax: (203) 866-9856

### MEMORANDUM

To: Commission

From: Ron Scofield

Date: September 30, 2014

Re: Budget Requests for the East Norwalk Historical Cemetery

In the absence of Chris Burr, who could not make the meeting tonight, I am presenting his budget requests.

The normal expenses requested annually are as follows:

Greenlife Lawn Sprinkler	\$ 140.00
First District Water Department	\$ 400.00
Prestige Landscaping	\$20,000.00
Almstead Tree & Shrub Care	\$ 1,800.00

These amounts could increase or decrease slightly when we consider the prior year expenses at budget time in January 2015.

Requested additions to the budget from Chris Burr are as follows:

- Two additional sprinkler heads from Greenlife Lawn Sprinkler to cover roses bush at a cost of \$400.00
- Professional tree pruning, tree removal, stump removal and planting of new Dogwood trees at a cost of \$15,520.00 as quoted in the attached proposal from Almstead Tree & Shrub Co.

---

#### *District Commissioners*

Charles L. Yost 203-853-0837  
David L. Brown 203-866-8099  
Debora Goldstein 203-252-7214

Chairman  
Commissioner  
Commissioner

James Smith 203-866-9271  
Ron Scofield 203-866-9271  
Michael Intrieri 203-866-3001

General Manager  
Assistant General Manager  
Treasurer

Pg. 36

GROWING FOR 50 YEARS



1964 - 2014

ALMSTEAD  
TREE & SHRUB CARE CO.

---

**Tree Care Program**

East Norwalk Cemetery

East Avenue

September 30, 2014

---





# ALMSTEAD

## TREE & SHRUB CARE CO.

80 Lincoln Avenue  
Stamford, CT 06902  
Phone (203) 348-4111  
Fax (203) 708-0071  
[www.almstead.com](http://www.almstead.com)

arbor care plant health care lawn care

September 30, 2014

Dear Chris,

It was a pleasure meeting you last week. Per your request, my recommendations are outlined in the following proposal. To proceed with the work, we ask that you complete the authorization page and either email or fax it back to our office.

If you have any questions, please don't hesitate to contact me or my assistant, Alexandra. My email is [bcarolan@almstead.com](mailto:bcarolan@almstead.com), and our phone number is 203-348-4111. You can also find detailed descriptions of our services online at [almstead.com](http://almstead.com)

Best regards,

Brian P. Carolan  
Connecticut Licensed Arborist # S - 5595



## Arbor Care Definitions

**Pruning Standards:** Experts in the field of arboriculture have established a committee to develop standards of tree maintenance. This committee, working with the American National Standards Institute (ANSI), developed standards from pruning and other aspects of tree care. These standards provide for a higher, more uniform level of service and help ensure public safety.

Almstead adheres to the principals of the International Society of Arboriculture (ISA), the Tree Care Industry Association (TCIA) and *The American National Standard for Tree Care Operations – Tree, Shrub and other Woody Plant Maintenance – Standard Practices (ANSI A300)*. All work shall be completed in compliance with A300 Standards.

### Pruning Objectives:

**Structural Pruning:** Structural pruning shall consist of selective pruning to improve tree and branch architecture primarily on young- and medium-aged trees.

**Restoration Pruning:** Restoration shall consist of selective pruning to redevelop structure, form, and appearance of severely pruned, vandalized, or damaged trees.

**Vista Pruning:** Vista/view pruning shall consist of the use of one or more pruning methods (types) to enhance a specific line of sight.

### Pruning Methods:

**Prune to Clean:** Cleaning shall consist of pruning to remove one or more of the following non-beneficial parts: dead, diseased, and/or broken branches.

**Prune to Thin:** Thinning shall consist of selective pruning to reduce density of live branches.

**Prune to Raise:** Raising shall consist of pruning to provide vertical clearance.

**Prune to Reduce:** Reducing shall consist of pruning to decrease height and/or spread.

**Take Down:** Removing a tree and cutting stump as flush to grade as possible.

**Stump Grinding:** Grinding the stump to recommended depth below grade and backfilling with the resulting debris/wood chips.

**Cabling:** Cables restrict the distance that branches can move in relation to each other. Installed across a weak junction, they will greatly reduce the risk of failure. Installed on overextended branches, they can be used to support the branch.

**Bracing:** Brace rods are used to reduce the risk of two or more stems spreading farther apart or moving sideways in relation to each other. They are also used to fasten together a junction or branch that is split apart.

## Arbor Care Recommendations

The following recommendations are for Arbor Care on the property, which includes all phases of pruning, cabling, and tree removals. Unless otherwise noted, branches are chipped and removed from the property, and stumps are cut as close to grade as conditions will allow. When stump grinding is recommended, stumps are ground 6-8" below grade and the hole is backfilled with the resulting debris.

### Arbor Care: Pruning & Removals

1. Structural prune approximately 48 Flowering Dogwoods surrounding the property to encourage proper branching structure. Develop or maintain a dominant leader, remove all dead, diseased, or broken limbs 1/2" diameter or greater to improve tree health and reduce the risk of branch failure, thin the crowns on select trees to remove approximately 10 - 15% of live branches, remove lower water sprouts to improve clearance, and reduce long ends hanging over stone walls.
2. Take down two multi-stem Black Cherry trees as close to grade as conditions allow. Chip all brush and remove wood from the property.
3. Take down the storm damaged Norway Maple along Gregory Blvd. as close to grade as conditions allow.
4. Take down two (2) Flowering Dogwoods along East Ave. as close to grade as conditions allow.
5. Take down the 12" Flowering Dogwood at the southern end of the cemetery as close to grade as conditions allow.
6. Prune to clean the 36", 42", and 52" Norway Maples remove all dead, diseased, or broken limbs 2" diameter or greater to improve tree health and reduce the risk of branch failure. Elevate lower canopies by approximately 4 - 6" for better clearance.

Cost of Pruning & Removals ..... \$8,700.00

### Arbor Care: Stump Grinding

1. Grind Maple and two (2) Dogwood stumps 8 - 10" below grade and backfill hole with resulting debris.

Cost of Stump Grinding ..... \$325.00

### Arbor Care: Planting

Our planting guarantee is for 1 year from the date of planting. The guarantee is dependent on adequate and diligent watering as well as committing to a custom-tailored Plant Health Care Program. In the event that the plant material listed in this proposal is unavailable, the size or variety may need to be altered. This may also result in altered pricing, which we will always notify you of before proceeding.

1. Supply and install seven (7) Flowering Dogwoods throughout the cemetery to replace trees that were removed.

Cost of Planting ..... \$6,495.00



## Authorization to Proceed

☒ **Check for Authorization**

- |   |            |
|---|------------|
| <input type="checkbox"/> Arbor Care: Pruning & Removals | \$8,700.00 |
| <input type="checkbox"/> Arbor Care: Stump Grinding     | \$325.00   |
| <input type="checkbox"/> Arbor Care: Planting           | \$6,495.00 |

\* For your convenience, your Plant Health Care and Lawn Care programs will be CONTINUOUS unless otherwise noted. Upon authorization, you will automatically receive the full season of scheduled treatments each year. Any service may be cancelled at any time by contacting us prior to its application.

**Amount of Deposit (1/3 or greater):** N/A

☐ **Pay by Check**

Please make checks payable to Almstead Tree & Shrub Care Company.

☐ **Pay Online**

Pay your deposit online easily and securely using any major credit card. Simply visit [almstead.com/payment.php](http://almstead.com/payment.php) and reference the following invoice number: **3RDTAXING**

☐ **Pay by Credit Card**

The credit card provided will be charged for the deposit of the work outlined above. Unless otherwise noted, this credit card will also be charged for the balance upon completion of the work.

Name on card: \_\_\_\_\_

☐ MasterCard ☐ Visa ☐ Discover ☐ AmEx

Billing Address: \_\_\_\_\_

Card Number: \_\_\_\_\_

City: \_\_\_\_\_

Expiration Date: \_\_\_\_\_ CVC: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_

Almstead Tree & Shrub Care Company is authorized to proceed with the work outlined in this proposal. I understand that the amounts listed above do not include sales tax, and that I am responsible for payment of same, or for providing a Tax Exempt Certificate to Almstead Tree, Shrub & Lawn Care.

**Authorization Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Customer:** 3RDTAXING

Pg. 41



GENERAL MANAGER'S REPORT  
(Note Page)

**Third Taxing District  
Financial Highlights  
July-Nov 2014 vs. July-Nov 2013**

	July-Nov -2014	July-Nov 2013	\$ Change	% Change
Total Income	4,170,589	4,190,958	-20,369	0%
Total Expense	4,359,542	4,245,496	114,046	3%
Net Ordinary Income	(188,953)	-54,539	-134,415	246%
Other Income	327,509	220,380	107,129	49%
Other Expense	45,839	87	-	-
Net Income before Rate Stabilization	92,716	165,841	-73,125	-44%
Rate Stabilization	387,806	72,650	315,156	434%
Net Income	480,522	238,404	242,118	102%

**CASH BALANCES FY 2014**

Nov-14

**ACCTS**

Operating Accounts	1,002,534
Capital Improvements Fund	914,480

Power Supply	Current Fiscal Year-to-Date	Last Fiscal Year-to-Date	\$ Change	% Change
Energy Cost	\$ 2,810,500	\$ 2,368,373	\$ 442,127	19%
Budget Energy Cost	\$ 2,624,225	\$ 2,268,488	\$ 355,737	16%
Energy Cost Cents/KWH	10.980	10.505	\$ 0.48	5%

**Third Taxing District**  
**Profit & Loss Prev Year Comparison**  
November 2014

	Nov 14	Nov 13	\$ Change	% Change
Ordinary Income/Expense				
Income				
443-00 · Cervalis Data Center Revenues	16,417.44	0.00	16,417.44	100.0%
440-00 · Residential Sales	284,476.50	178,028.17	106,448.33	59.79%
442-01 · Large Commercial Sales	81,448.06	21,548.25	59,899.81	277.98%
442-02 · Small Commercial Sales	204,169.21	81,606.80	122,562.41	150.19%
445-01 · Water Pollutn Contrl Plnt Sales	95,911.68	54,025.86	41,885.82	77.53%
445-02 · Flat Rate	7,144.06	7,423.06	-279.00	-3.76%
451-00 · Miscellaneous Service Revenue	16,567.73	3,880.00	12,687.73	327.0%
557-00 · Purchased Power Adjustment	42,599.42	219,863.65	-177,264.23	-80.63%
Total Income	748,734.10	566,375.79	182,358.31	32.2%
Cost of Goods Sold				
555-00 · Electrical Power Purchased	463,218.95	473,118.02	-9,899.07	-2.09%
Total COGS	463,218.95	473,118.02	-9,899.07	-2.09%
Gross Profit	285,515.15	93,257.77	192,257.38	206.16%
Expense				
904-00 · Substation	17,159.62	0.00	17,159.62	100.0%
403-00 · Depreciation Expense	46,636.06	39,426.31	7,209.75	18.29%
408-00 · Taxes	1,147.00	1,615.00	-468.00	-28.98%
540-00 · Other Power Generation Expense	1,680.42	1,295.68	384.74	29.69%
580-00 · Distribution Expenses	6,091.44	7,718.94	-1,627.50	-21.09%
590-00 · Maintenance Expenses	66,639.19	57,062.14	9,577.05	16.78%
900-00 · Customer Accounts & Service	17,338.46	37,926.51	-20,588.05	-54.28%
920-00 · Administrative Expenses	136,112.08	98,554.97	37,557.11	38.11%
Total Expense	292,804.27	243,599.55	49,204.72	20.2%
Net Ordinary Income	-7,289.12	-150,341.78	143,052.66	95.15%
Other Income/Expense				
Other Income				
418-00 · Dividends	0.00	0.68	-0.68	-100.0%
419-00 · Interest Income	112.00	55.52	56.48	101.73%
421-00 · Norden Project Income	68,418.02	40,796.66	27,621.36	67.71%
424-00 · Energy Conservation Fund Income	23,283.84	8,333.00	14,950.84	179.42%
Total Other Income	91,813.86	49,185.86	42,628.00	86.67%
Other Expense				
942-00 · Interest Expense	285.00	86.89	198.11	228.0%
990-00 · Miscellaneous items	0.00	0.00	0.00	0.0%
Total Other Expense	285.00	86.89	198.11	228.0%
Net Other Income	91,528.86	49,098.97	42,429.89	86.42%
Net Income before rate stabilization	84,239.74	-101,242.81	185,482.55	183.21%
Rate Stabilization	64,230.33	15,380.09	48,850.24	317.62%
Net Income	148,470.07	-85,862.72	234,332.79	272.92%

**Third Taxing District**  
**Profit & Loss Prev Year Comparison**  
**July through November 2014**

	Jul - Nov 14	Jul - Nov 13	\$ Change	% Change	
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
443-00 · Cervalis Data Center Revenues	81,769.45	0.00	81,769.45	100.0%	
440-00 · Residential Sales	1,286,683.25	1,152,497.45	134,185.80	11.64%	
442-01 · Large Commercial Sales	331,648.34	249,658.79	81,989.55	32.84%	
442-02 · Small Commercial Sales	927,174.94	793,170.85	134,004.09	16.9%	
445-01 · Water Pollutn Contrl Plnt Sales	369,496.38	288,750.84	80,745.54	27.96%	
445-02 · Flat Rate	36,116.30	37,434.80	-1,318.50	-3.52%	
451-00 · Miscellaneous Service Revenue		57,630.62	-57,630.62	-100.0%	
557-00 · Purchased Power Adjustment	1,137,699.87	1,611,814.15	-474,114.28	-29.42%	Footnote 1
<b>Total Income</b>	<b>4,170,588.53</b>	<b>4,190,957.50</b>	<b>-20,368.97</b>	<b>-0.49%</b>	
<b>Cost of Goods Sold</b>					
555-00 · Electrical Power Purchased	2,810,500.45	2,926,420.15	-115,919.70	-3.96%	
<b>Total COGS</b>	<b>2,810,500.45</b>	<b>2,926,420.15</b>	<b>-115,919.70</b>	<b>-3.96%</b>	
<b>Gross Profit</b>	<b>1,360,088.08</b>	<b>1,264,537.35</b>	<b>95,550.73</b>	<b>7.56%</b>	
<b>Expense</b>					
904-00 · Substation	88,910.00	0.00	88,910.00	100.0%	Footnote 2
930-43 · TTD 100th Anniversary	0.00	28,240.77	-28,240.77	-100.0%	
403-00 · Depreciation Expense	274,383.17	192,389.70	81,993.47	42.62%	Footnote 3
408-00 · Taxes	88,509.25	103,418.28	-14,909.03	-14.42%	
540-00 · Other Power Generation Expense	13,977.51	42,303.55	-28,326.04	-66.96%	Footnote 4
580-00 · Distribution Expenses	30,248.34	25,208.35	5,039.99	19.99%	Footnote 5
590-00 · Maintenance Expenses	262,000.78	189,570.29	72,430.49	38.21%	Footnote 6
900-00 · Customer Accounts & Service	102,271.68	183,983.67	-81,711.99	-44.41%	Footnote 7
920-00 · Administrative Expenses	688,740.64	553,961.41	134,779.23	24.33%	Footnote 8
<b>Total Expense</b>	<b>1,549,041.37</b>	<b>1,319,076.02</b>	<b>229,965.35</b>	<b>17.43%</b>	
<b>Net Ordinary Income</b>	<b>-188,953.29</b>	<b>-54,538.67</b>	<b>-134,414.62</b>	<b>-246.46%</b>	
<b>Other Income/Expense</b>					
<b>Other Income</b>					
418-00 · Dividends	6,917.47	1.66	6,915.81	416,615.06%	
419-00 · Interest Income	262.00	237.19	24.81	10.46%	
421-00 · Norden Project Income	283,530.24	174,179.91	109,350.33	62.78%	
423-00 · Gain/(Loss) from Sale of FA	0.00	12,500.00	-12,500.00	-100.0%	
424-00 · Energy Conservation Fund Income	36,798.82	33,461.06	3,337.76	9.98%	
<b>Total Other Income</b>	<b>327,508.53</b>	<b>220,379.82</b>	<b>107,128.71</b>	<b>48.61%</b>	
<b>Other Expense</b>					
426-30 · PERSON TO PERSON	20,000.00	0.00	20,000.00	100.0%	Footnote 9
426-10 · Distribution to "District Fund"			0.00	0.0%	
426-20 · Energy Conservation Expense	24,694.72	0.00	24,694.72	100.0%	Footnote 10
942-00 · Interest Expense	1,144.53	86.69	1,057.84	1,220.26%	
<b>Total Other Expense</b>	<b>45,839.25</b>	<b>86.69</b>	<b>45,752.56</b>	<b>52,777.21%</b>	
<b>Net Other Income</b>	<b>281,669.28</b>	<b>220,293.13</b>	<b>61,376.15</b>	<b>27.86%</b>	
<b>Net Income before rate stabilization</b>	<b>92,715.99</b>	<b>165,754.46</b>	<b>-73,038.47</b>	<b>-44.06%</b>	
<b>Rate Stabilization</b>					
	387,806.03	72,649.60	315,156.43	433.8%	
<b>Net Income</b>	<b>480,522.02</b>	<b>238,404.06</b>	<b>242,117.96</b>	<b>101.56%</b>	

Third Taxing District  
Profit & Loss Statement  
Explanation of Major Variances  
Jul-Nov -2014 vs. Jul- Nov - 2013

1. The decrease in the fuel adjustment is due to the fact that the District moved to a revenue neutral rate adjustment in accordance with the results of the independent rate study. The Fuel Adjustment rate was decreased and the adjustments were spread proportionally to the revenues throughout the system. This can be seen by reviewing the November 2014 month to date financial statements versus the November 2013 financial statements.
2. The increase in substation expense of \$88K is due to the fact that a separate payroll expense category was setup for Pete Johnson and Scott Tracey who are working in the substation.
3. Increase in depreciation expense is up due primarily to the depreciation of substation which came on line in January of 2014. The substation will be depreciated over 20 years and will have an annual depreciation of \$251,328 or monthly depreciation of \$20,944.
4. The approximate \$28K decrease in Other Power Generation expense is due to the timing of the year over year purchasing of Diesel fuel for the generators from Santa Buckley, as well as a decrease in repairs and maintenance expenses from HO Penn Machinery.
5. The approximate \$5K increase in Distribution expense is due primarily to \$3K on meter repair and calibration test work associated with the radio-read conversion project, as well as increased miscellaneous distribution supplies and charges purchased during the month.
6. The \$72K increase in Maintenance Expense is due to approximately \$16K in additional substation maintenance from Eleck & Salvato, Oman's Garden, and Effective Plumbing, related to a water leak below the Fitch Street Substation Control House. These expenses will be offset in December 2014 from a credit received from Eaton Corporation. We also spent \$4K on overhead line maintenance with WESCO. There is an additional \$6,500 increase over prior year for the roof repairs due to the leaking roof at the office facility which was an emergency repair.
7. The approximate \$81K decrease in Customer Accounts & Service is mainly due to payroll associated with the retirement of Ana Aguilar, as well as the fact that wages for Pete Johnson were shown in this category during the prior year and are now listed under Substation expense for the current year. Ana's

Ag. 47

decreased wages are now being partially offset by the hiring of customer service rep Kiki Kydes, who began employment in October.

8. The increase of \$134K in Administrative Expenses is due to the following:
  - a. \$9K in temporary staffing of Cynthia and Kiki before hiring.
  - b. \$34K in repairs and maintenance. Note: includes office repairs due to leaking roof.
  - c. \$70K in engineering fees paid to Cristino Associates for the on-going SCADA project as well as substation engineering
  - d. \$10K increase over prior year in timing of health insurance premiums/expenses.
  - e. The remainder is due to increases in Admin payroll, payroll taxes and call time charged to this account based on increased customer activity over the period.
9. The Third Taxing District renewed the Person to Person program again during FY' 2015 for the upcoming winter period.
10. The amounts in Energy Conservation expense are due to the purchase of the new LED streetlights as well as LED bulbs for our customers. As these expenses are incurred they are reimbursed to the district through our energy conservation cash fund.

**THIRD TAXING DISTRICT**  
**KEY PERFORMANCE INDICATORS (KPI'S)**

		2014	November 2013	Industry Average (Bandwidth)
1)	<i>OPERATING RATIO</i>	TOTAL OPERATING EXPENSE / TOTAL OPERATING REVENUE	104.50%	95.98%
2)	<i>POWER SUPPLY EXPENSE RATIO</i>	TOTAL POWER SUPPLY EXPENSES / TOTAL EXPENSES	65%	68%
3)	<i>BAD DEBT RATIO</i>	TOTAL CUSTOMER ACCOUNTS OVER 90 DAY / TOTAL ACCOUNTS RECEIVABLE	4.90%	5.85%
4)	<i>ACTUAL RATE OF RETURN ON RATE BASE</i>	AUTHORIZED BY STATE STATUTE	N/A	N/A
5)	<i>ELECTRIC CUSTOMERS PER EMPLOYEE</i>	TOTAL ELECTRIC CUSTOMERS / TOTAL FULL TIME EMPLOYEES	368	387
				Varies by state
				200 - 500

THIRD TAXING DISTRICT  
PROJECT SUMMARY REPORT  
FY 2014-2015

PREPARED BY:  
JIM SMITH  
GENERAL MANAGER

# TABLE OF CONTENTS

PAGE #	PROJECT #	PROJECT
1	1	A-BASE METER REPLACEMENT PROGRAM
1	2	CUSTOMER SERVICE TRAINING PROGRAM
2	3	SUCCESSION PLANNING PROCESS
3	4	HANDHELD METER READING UPGRADE
3	5	UPGRADE FLEET VEHICLES
4	6	UPDATE EMERGENCY PLAN FOR DEPARTMENT
4	7	UPDATE TERMS/CONDITIONS OF SERVICE/FEE
5	8	I/TUPGRADE/UPDATE
6	9	COST OF SERVICE/RATE STUDY
6	10	STRATEGIC PLANNING PROCESS
7	11	MAPLEWOOD
8	12	WEBSITE/MARKETING/BRANDING PROJECT
9	13	CATV/POLE ATTACHMENTS/AMPLIFIERS
10	14	UPGRADE/ENHANCE FUEL TANKS @ 2 SECOND STREET
10	15	SUBSTATION UPGRADES AND IMPROVEMENTS
11	16	PURCHASE OF HOUSE – 18 ROWAN STREET
12	17	CONSTRUCTION OF ELECTRIC VEHICLE CHARGING STATION
13-14	18	MISCELLANEOUS

# THIRD TAXING DISTRICT – PROJECT SUMMARY

UPDATED: DECEMBER 29, 2014

#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
1)	A-BASE METER REPLACEMENT PROGRAM	<ul style="list-style-type: none"> <li>• IN PROCESS WITH METER DEPT.</li> </ul>	LAST QUARTER 2014 START TO CUTOVER	
2)	CUSTOMER SERVICE TRAINING PROGRAM	<ul style="list-style-type: none"> <li>• SOLICITED QUOTES THROUGH NEPPA, LEARNING DYNAMICS INC., VARIOUS WEBINARS – NEED TO SELECT FROM VENDORS LISTED</li> </ul>	THIRD QTR 2013 – FOURTH QTR 2014	<ul style="list-style-type: none"> <li>• DECEMBER 2014 – SCHEDULED MANAGEMENT TRAINING FOR MIKE ADAMS/RON SCOFIELD DURING THE LATTER PART OF JANUARY. THESE (2) ½ DAY SESSIONS WILL FOCUS ON TEAM BUILDING, COACHING/ MENTORING, INTERPERSONAL COMMUNICATION SKILLS, ETC. THE TRAINING WILL BE CONDUCTED BY LEARNING DYNAMICS, WHO HAS DONE SOME OF OUR CUSTOMER SERVICE TRAINING IN THE PAST WITH EXCELLENT RESULTS.</li> </ul>



<u>#</u>	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
4)	HANDHELD METER READING UPGRADE	<ul style="list-style-type: none"> <li>• EXPLORED ALTERNATIVES TO EXISTING VENDOR</li> <li>• MET WITH JEWETT CITY TO INVESTIGATE ITRON SYSTEM THEY DON'T UTILIZE</li> <li>• AWAITING RECOMMENDATION FROM STAFF</li> <li>• ALSO EVALUATING OTHER OPTIONS</li> </ul>	BEGINNING THIRD QTR 2013 THRU ALL OF 2014 FOR FULL IMPLEMENTATION	<ul style="list-style-type: none"> <li>• DECEMBER 2014 – APPROXIMATELY 200 ADDITIONAL RADIO-READ METERS HAVE BEEN INSTALLED IN THE FIELD DURING THE MONTH OF DECEMBER.</li> </ul>
5)	UPGRADE FLEET VEHICLES	<ul style="list-style-type: none"> <li>• AUCTIONING OFF 1991 BUCKET TRUCK</li> <li>• PURCHASED NEW PICKUP</li> <li>• LEASED NEW BUCKET TRUCK</li> <li>• EVALUATING BODYWORK/REPAINTING EXISTING VEHICLES TO EXTEND LIFE</li> <li>• DEVELOP FIVE-YEAR FLEET VEHICLE REPLACEMENT SCHEDULE</li> </ul>	ON-GOING WITH PERIODIC UPDATES	

<u>#</u>	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
6)	UPDATE EMERGENCY PLAN FOR DEPARTMENT	<ul style="list-style-type: none"> <li>• LAST PLAN FILED WITH PURA – OCT. 2012</li> <li>• INCORPORATING CITY EMS INTO PLAN</li> </ul>	THIRD QTR 2014	
7)	UPDATE TERMS/ CONDITIONS OF SERVICE/FEEES	<ul style="list-style-type: none"> <li>• REVIEWING EXISTING DOCUMENTS</li> <li>• NEED TO RE-WRITE POLICIES</li> <li>• SOME FEES ADJUSTED- NEED TO UPDATE ALL OTHER FEES THROUGH DISCUSSION WITH COMMISSION ON IMPLEMENTATION STRATEGY. FORMALIZE ALL FEES IN BOOKLET FORM/ WEBSITE.</li> </ul>	FIRST QTR 2014 – FOURTH QTR 2014	<ul style="list-style-type: none"> <li>• DECEMBER 2014 – THE INTERNAL REVIEW OF A REVISED TERMS/ CONDITIONS DOCUMENT WAS COMPLETED IN DECEMBER. THIS DOCUMENT, WHICH WILL REPLACE ALL PREVIOUS OUTDATED VERSIONS, IS A COMPANION DOCUMENT TO OUR RATE BROCHURES AND WILL BE FINALIZED IN EARLY JANUARY.</li> </ul>

<u>#</u>	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
8)	I/T UPDATE/ UPGRADE	<ul style="list-style-type: none"> <li>• CONDUCTED SYSTEM AUDIT IN JULY 2013</li> <li>• SOLICITED QUOTES FOR HARDWARE/SOFTWARE UPGRADE</li> <li>• EVALUATING QUOTES</li> <li>• DECISION BY OCT 1<sup>ST</sup> 2013</li> <li>• TRANSITION PROCESS</li> <li>• TRANSITION PROCESS, COMPLETED – NOV. 2013</li> </ul>	ON-GOING	

<u>#</u>	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
9)	CONDUCT COST OF SERVICE/RATE STUDY	<ul style="list-style-type: none"> <li>• STUDY PERFORMED MAY 2013</li> <li>• STUDY COMPLETED – SEPT. 2013</li> <li>• REVIEWED WITH COMMISSION SEPT. 2013</li> <li>• IMPLEMENTATION OF STRATEGIES BASED ON THE STUDY BEING DEVELOPED</li> <li>• WILL BEGIN WITH SET-UP OF WWTP NEGOTIATIONS</li> </ul>	SECOND, THIRD QTR 2013 THRU 2014 FULL IMPLEMENTATION	
10)	STRATEGIC PLANNING PROCESS	<ul style="list-style-type: none"> <li>• CONTACTED HOMETOWN CONNECTIONS TO INQUIRE ABOUT PROCESS – SEPT. 2013</li> <li>• RECEIVED PRELIMINARY INFORMATION FOR REVIEW – CURRENTLY EVALUATING</li> </ul>	THIRD QTR 2013 THRU FOURTH QTR 2014	

<u>#</u>	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
11)	MAPLEWOOD	<ul style="list-style-type: none"> <li>• COMMISSION APPROACHED BY MAPLEWOOD'S ATTORNEYS IN APRIL 2013 WITH OBJECTIVE OF CHANGING SUPPLIERS</li> <li>• DISCUSSIONS/UPDATES GIVEN TO COMMISSION SINCE THEN THRU JOHN BOVE, PHIL SUSSLER, ETC. ON TTD'S LEGAL POSITION ON SERVICE TERRITORY ISSUE</li> <li>• ENGAGED BROWN JACOBSON FROM NORWICH TO REPRESENT TTD IF MAPLEWOOD'S ATTORNEYS PURSUE AT STATE LEVEL (PURA)</li> <li>• TTD ATTORNEYS CURRENTLY DEVELOPING STRATEGY</li> <li>• NO FURTHER DISCUSSIONS WITH MAPLEWOOD'S ATTORNEYS AT THIS TIME</li> </ul>	ON-GOING	<ul style="list-style-type: none"> <li>• DECEMBER 2014 – RECEIVED A LETTER FROM MAPLEWOOD'S ATTORNEYS DURING THE MONTH FILING A FORMAL COMPLAINT WITH PURA FOR A DECLARATORY RULING THAT CL&amp;P CAN PROVIDE THE MAPLEWOOD FACILITY WITH POWER. AN EMERGENCY MEETING WAS HELD IN WHICH JOHN BOVE AND I RECOMMENDED THAT TTD RE-ENGAGE BROWN JACOBSON AS OUR ATTORNEY TO LITIGATE THIS MATTER. COMMISSION AGREED WITH OUR RECOMMENDATION AND WE ARE MOVING FORWARD WITH THE ENGAGEMENT.</li> </ul>

#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
12)	WEBSITE/BRANDING PROJECT	<ul style="list-style-type: none"> <li>• SIGNED AGREEMENTS WITH JUMAR MARKETING IN APRIL 2013 FOR 12 MONTHS</li> <li>• NEW WEBSITE/RE-BRANDING LAUNCHED JULY 2013 AT 100<sup>TH</sup> ANNIVERSARY CELEBRATION</li> <li>• WEBSITE BEING UPDATED AS NEEDED</li> <li>• RE-BRANDING COLLATERAL</li> <li>• MATERIALS BEING IMPLEMENTED AS TIME/ RESOURCES ALLOW (STATIONARY, TRUCK LETTERING, SIGNAGE, ETC.)</li> </ul>	ON-GOING THROUGH FIRST QTR 2015 BASED ON EXTENSION OF AGREEMENT BY COMMISSION.	

<u>#</u>	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
13)	CATV POLE ATTACHMENTS/ AMPLIFIERS	<ul style="list-style-type: none"> <li>REVIEWED HISTORICAL INFORMATION FROM FILES</li> <li>POLE ATTACHMENTS SHOULD BE BILLED ON A SEMI-ANNUAL BASIS – HAS NOT BEEN BILLED FOR SEVERAL YEARS – LOSS OF REVENUE</li> <li>WILL BE CONTACTING CABLE CO. FOR DISCUSSION/ NEGOTIATION OF RATE</li> <li>HIRED CONSULTANT TO PERFORM RATE STUDY</li> </ul>	FIRST QTR 2014 – FOURTH QTR 2014 THROUGH COMPLETION	<ul style="list-style-type: none"> <li>DECEMBER 2014 – JOHN BOVE COMPLETED HIS REVIEW OF A DRAFT OF THE POLE ATTACHMENT AGREEMENT WITH MINOR EDITS. THE AGREEMENT WAS SUBSEQUENTLY SENT TO CABLEVISION. THEY HAVE RECEIVED IT AND ARE IN THE PROCESS OF REVIEWING IT PRIOR TO BEGINNING NEGOTIATIONS.</li> </ul>

<u>#</u>	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
14)	UPGRADE/ENHANCE FUEL TANKS @ 2 SECOND STREET	<ul style="list-style-type: none"> <li>• RECEIVED NOTICE OF NON-COMPLIANCE IN MAY 2013 BASED ON TANK INSPECTION</li> <li>• CONTACTED VENDORS IN JUNE 2013 FOR REMEDIATION</li> <li>• RECEIVED QUOTES IN JULY/AUGUST 2013</li> <li>• SELECTED VENDOR SEPT. 2013</li> <li>• PERFORMED WORK SEPT./OCT. 2013 TO INSURE COMPLIANCE</li> </ul>	LAST QTR 2013 – PROJECT COMPLETED	
15)	SUBSTATION UPGRADES AND IMPROVEMENTS	<ul style="list-style-type: none"> <li>• UPGRADE EXISTING SUBSTATIONS – ROWAN STREET &amp; EAST AVENUE</li> <li>• BUILDING NEW FITCH STREET SUBSTATION TO COMPLY WITH NERC REQUIREMENTS</li> <li>• FOCUS ON CYBER-SECURITY/ SECURITY CONCERNS BASED ON REGIONAL/ NATIONAL INCIDENTS</li> </ul>	ON-GOING	<ul style="list-style-type: none"> <li>• DECEMBER 2014 – FINALIZED THE SCADA RFP PROCESS DURING DECEMBER. WE WILL BE EVALUATING THE RESULTS AND WILL MAKE A PRESENTATION TO THE COMMISSION AT A FUTURE MEETING.</li> </ul>

#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
---	---------	--------	----------	-------------------------

16)	PURCHASE OF HOUSE – 18 ROWAN ST.	<ul style="list-style-type: none"> <li>DISCUSSION HELD IN SPRING OF 2013 WITH COMMISSION TO CONSIDER ACQUISITION OF PROPERTY FOR SALE ADJACENT TO THE ROWAN ST. SUBSTATION FOR POSSIBLE EXPANSION.</li> <li>CONCEPT WAS DEVELOPED TO USE PROPERTY FOR OVERALL STORAGE NEEDS THROUGH CONSTRUCTIONS OF A STORAGE FACILITY AND CONSOLIDATION OF MATERIALS IN ONE LOCATION.</li> </ul>	SECOND QTR 2013 THROUGH FOURTH QTR 2014	
-----	----------------------------------	--	---	--

#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
17)	CONSTRUCTION OF ELECTRIC VEHICLE CHARGING STATION	<ul style="list-style-type: none"> <li>CONCEPT DEVELOPED THROUGH DISCUSSIONS WITH COMMISSION BASED ON POTENTIAL LOCATION AT EAST AVE. HOUSE LOCATED NEXT TO TRAIN STATION.</li> <li>A SECONDARY LOCATION (EAST NORWALK LIBRARY PARKING LOT) IS ALSO UNDER CONSIDERATION</li> </ul>	ALL OF 2014	<ul style="list-style-type: none"> <li>DECEMBER 2014 – THE FOLLOWING ACTIVITIES TOOK PLACE DURING THE MONTH OF DECEMBER:               <ul style="list-style-type: none"> <li>PHOTOS WERE TAKEN OF THE NEW E/V EQUIPMENT, A PRESS RELEASE TO LOCAL MEDIA OUTLETS, WEBSITE UPDATE, AND NEWSLETTER ARTICLE WERE DEVELOPED AND RELEASED.</li> <li>FINAL PAPERWORK HAS BEEN SUBMITTED TO THE STATE FOR OUR \$10,000 REIMBURSEMENT THROUGH THE GRANT PROCESS.</li> <li>CONTACTED EV CONNECTICUT TO POST OUR LOCATION ON THE U.S. DEPARTMENT OF ENERGY (DOE) WEBSITE.</li> </ul> </li> </ul>

#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
18)	<u>MISCELLANEOUS</u> <ul style="list-style-type: none"> <li>ANNUAL REVENUE/EXPENSE BUDGET/FIVE-YEAR CAPITAL BUDGET</li> </ul>	COMPLETED DURING MONTH OF JUNE	SECOND QTR 2014, PRESENT TO COMMISSION FOR JULY 1, 2014 IMPLEMENTATION	
	<ul style="list-style-type: none"> <li>SOLAR P/V PROJECT ROOFTOP AT SECOND STREET OFFICE</li> </ul>	DISCUSSION STAGE	SECOND QTR 2014 TO FOURTH QTR 2014	<ul style="list-style-type: none"> <li>DECEMBER 2014 – BEGAN DISCUSSIONS WITH SEVERAL VENDORS ON THE PROJECT DURING THE MONTH. WE WILL BE UPDATING THE COMMISSION AT THE JANUARY MEETING ON PROGRESS.</li> </ul>
	<ul style="list-style-type: none"> <li>LOBBY RENOVATION</li> </ul>	COMPLETE	SECOND QTR 2014 TO FOURTH QTR 2014	<ul style="list-style-type: none"> <li>DECEMBER 2014 – PHOTOS WERE TAKEN OF COMMISSIONERS AND STAFF WHICH WILL BE DISPLAYED IN THE NEW LOBBY BEGINNING IN JANUARY.</li> </ul>
	<ul style="list-style-type: none"> <li>LEASE NEGOTIATION – NORDEN GENERATORS</li> </ul>	DISCUSSION STAGE	FOURTH QTR 2014	<ul style="list-style-type: none"> <li>DECEMBER 2014 – CONTINUING TO REACH OUT TO NORDEN MANAGEMENT REGARDING LEASE NEGOTIATIONS. WE HAVE NOT RECEIVED A REPLY.</li> </ul>

#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
	<u>MISC. (Cont.)</u>			
	<ul style="list-style-type: none"> <li>SOLAR PROJECTS</li> </ul>	DISCUSSION STAGE/ POTENTIAL PROJECTS	ON-GOING	<ul style="list-style-type: none"> <li>DECEMBER 2014 – BOTH SOLAR PROJECTS, WHICH WERE STARTED IN NOVEMBER, ARE NOW FULLY INSTALLED AND ARE COMPLYING WITH ALL REQUIREMENTS OF OUR UPDATED SOLAR INSTALLATION INTERCONNECTION PROGRAM.</li> </ul>
	<ul style="list-style-type: none"> <li>DONATION OF METER VEHICLE</li> </ul>		DECEMBER 2014	<ul style="list-style-type: none"> <li>DECEMBER 2014 – VEHICLE WAS DONATED TO J.M. WRIGHT TECH IN STAMFORD DURING THE MONTH. PHOTOS WERE TAKEN OF THE TRANSFER AND WILL BE POSTED ON THE DEPARTMENT'S WEBSITE AND IN A FUTURE NEWSLETTER.</li> </ul>